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FOR EUR/SCE, EUR/RPM AND EUR/PPD

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TAGS: <u>PREL PGOV MARR MASS NATO HR</u>

SUBJECT: NATO ROAD SHOW VISIT TO CROATIA

REF: SARAJEVO 2415

Classified By: Rick Holtzapple, POL/ECON, Reasons 1.4 B/D

- 11. (C) SUMMARY: USNATO PermRep Victoria Nuland led an inter-agency "NATO Road Show" visit to Zagreb on November 9. President Mesic, Prime Minister Sanader, Foreign Minister Kitarovic and Defense Minister Roncevic all expressed confidence to the U.S. delegation that Croatia was well-prepared for NATO membership. They emphasized that the GoC would continue efforts to prepare for NATO after the upcoming November 25 elections. Key foci would be the continued campaign to educate the public about NATO and raise pubic support for membership above the current 50% level; further increases in the Croatian defense budget to 1.83% of GDP in 2008 and 2% by 2010; and continued reductions in the share of the defense budget spent on personnel below the current 60%.
- 12. (C) Ambassador Nuland said Croatia was on track for an invitation at Bucharest, and that the only risks were complacency and letting up before the finish line. Two leading opposition officials, Neven Mimica and Tonino Picula of the SDP, assured the delegation that the upcoming elections would not jeopardize support for NATO membership, and expressed confidence that an SDP-led government would win a proposed public referendum on NATO accession. Nuland replied that this was a decision for Croatians and officially we would be neutral. Speaking personally, she noted that a successful referendum would be a good thing for Croatia as a NATO partner, but that the SDP should be absolutely sure it would prevail, since a defeat in the referendum would be a tragedy. President Mesic said he did not expect even an SDP-led government to actually follow through on holding a referendum.
- 13. (C) Discussion in several sessions quickly turned to regional political developments, with GoC officials noting their concerns about developments in Bosnia-Herzegovina and Serbia. All officials confirmed that Croatia would follow the U.S. and the majority of EU states in recognizing an independent Kosovo, but were determined to minimize any potential backlash from Belgrade. PM Sanader, in particular, noted concerns about rising radicalism in both B-H and Serbia, which was provoking an increase in radical rhetoric among Bosniak leaders such as Silajdzic as well, with some of this directed at Croats as well as Serbs. END SUMMARY.

NATO ISSUES

14. (U) USNATO Ambassador Nuland led an inter-agency team to Zagreb November 9 to discuss the criteria on which Croatia's NATO accession bid would be judged by Allies. Other members of the team including D/AS for Defense Daniel Fata, NSC NATO Director Toby Bradley, EUR/SCE Director Christopher Hoh, JCS

- J5 Col. Mike Shields, USNATO Enlargement Officer Thomas Underwood, and Enlargement Officer Matthew Thompson.
- 15. (SBU) Ambassador Nuland opened all meetings with a positive message that Croatia was on track for an invitation at Bucharest, but that progress to date needed to continue to assure this outcome. All GoC officials assured the U.S. delegation that reforms were, in the FM's words, "irreversible," and would continue. President Mesic and DefMin Roncevic both stressed that defense reforms had produced a much more mobile, capable, and professional Croatian military (with conscription due to end on 1/1/2008). FM Kitarovic and DefMin Roncevic both noted that the Croatian Parliament had approved the GoC's entire requested defense budget, set to rise to 1.83% of GDP in 2008 and 2% by 12010. Roncevic added that personnel costs within the defense budget were declining, from 75-77% in the past to 60% this year, and would decline further. He argued this was good performance for a military in transition from a socialist economy and a wartime footing to a modern, expeditionary, stand-by force.
- 16. (C) DASD Dan Fata praised Croatia's efforts to acquire more rotary wing aircraft for transportation needs, but pressed the DefMin on Croatia's plans to acquire fixed-wing fighters such as the F-16, and the serious burden this could represent on Croatia's defense budget. Fata offered to send a technical team to Zagreb to discuss in more details the costs associated with acquiring and maintaining F16s. Roncevic replied that Croatia's Long Term Development Plan lays out a priority for Croatia to acquire transport capacity to be able to deploy troops. The MI-171S helos that Croatia was acquiring were part of a program to clear Russia's debt, but the craft would be fully NATO compatible and inter-operable. Regarding the fixed wing component, Roncevic stressed that Croatia remained in an unstable region with the Serb Radical Party still the largest vote-winner in Serbia. He said he did not think fixed wing aircraft would be too expensive for Croatia, and that Croatia firmly believed in the need for its own air policing capacity. He agreed to keep discussing the issue with the USG, particularly concerning the real costs of any fixed wing package.
- 17. (SBU) GOC officials noted that public support for joining NATO had risen sharply in the past few months, and now consistently showed approximately half of the population backing NATO membership. PM Sanader and others committed to continue the GoC's public relations campaign. Roncevic noted that media contacts and coverage of Croatia's troops with ISAF in Afghanistan had produced positive public reaction and helped maintain support for that deployment. Popular support for NATO was expected to continue rising. GoC officials noted ironically that political instability in B-H, Serbia and elsewhere in the region would boost to public support for NATO. The worse the political situation in the neighborhood, the more eager Croatians would be to join.
- 18. (C) On a possible referendum on NATO membership, Sanader, Kitarovic and Roncevic were emphatic that an HDZ government had no intention of going that route, since there was no legal requirement to hold one and there was political consensus in favor of accession. Roncevic was scathing about SDP calls to hold a referendum, noting that when an SDP-led government in October 2002 first made the application for Croatia to join ${\bf r}$ NATO, there had been no discussion of the need for that. SDP officials Neven Mimica and Tonino Picula (potential FM and DefMin, respectively, if the SDP wins the elections) acknowledged that there is no requirement to put NATO membership to referendum. The SDP felt, however, it has a "political responsibility" to have an open discussion, and that a positive vote would make Croatia a better ally. They stressed that SDP had a long record in favor of NATO membership, noting that it was the SDP that had made the original application, and signed on to the Adriatic Charter with Albania and Macedonia. President Mesic noted that the SDP, during the lead up to the election, had announced it favored a referendum on NATO, but he was certain that, once

the elections are over, no one would be arguing for a referendum, even if the SDP wins.

REGIONAL ISSUES

- 19. (C) Ambassador Nuland urged that as Croatia joins the UNSC in January, it reach out to Moscow to urge it to make the tough decisions to play a more constructive role on Kosovo. Sanader said Croatia had nothing against Russia, but none of the officials indicated that they saw much prospect for improvements in Russian attitudes. EUR/SCE Director Chris Hoh noted that Croatian outreach to wavering EU states would also be helpful.
- 110. (C) PM Sanader and President Mesic, among others, raised concerns about regional political developments. They said that Croatia would recognize a unilateral declaration of independence by Kosovo, but only after the U.S. and at least some EU states had done so. Both expressed concern about a likely Serbian retaliation. Mesic asked for U.S. help to try and ensure that Serbia not break relations with Croatia after recognition. Mesic added that he was promoting a "German solution" along the lines of how West Germany had relations with East Germany even as it refused to accept that it was a separate country. Sanader indicated that Croatia, while supporting Kosovo, would also be trying to work closely with "The Kosovars might expect us to do more," Sanader said, "but Ceku has told me he understands our position." Mimica and Picula also said the SDP would recognize Kosovo. Sanader noted that in his opinion there was no real difference between Tadic and Kostunica; "they just play good cop and bad cop."
- 111. (C) On Bosnia-Herzegovina, the Croatians indicated they
- are watching the situation closely; Sanader, Mesic, the military and the Ministry of Interior had met to ensure that Croatian authorities are prepared for any possible spill-over of instability. Sanader and Mesic expressed their support for Lajcak. Mesic warned that ousting just Dodik would not make things better, as it would only stir up resentment and resistance among the Bosnian Serbs. He urged the international community to consider "cutting the Gordian knot" and replacing both Dodik and Silajdzic. Sanader expressed concern that Belgrade was constructing post-Kosovo scenarios that would involve some sort of "reward" for the RS. He also expressed concerns about Silajdzic's recent behavior, and asked for U.S. help to keep Silajdzic and other Bosniak politicians from radicalizing the situation. Sanader also noted that he would be going to Mostar on November 10 for an event with HDZ 1990, an affiliated party in B-H. Sanader claimed he was representing the European Christian Democrats (EPP) in an effort to reunite the two main HDZ parties in B-H. He noted that Croatia firmly supported the territorial integrity of Bosnia-Herzegovina, but said that it was also very important to give the Bosnian Croat parties a feeling that they were part of the process.
- 112. (SBU) Noting these many regional problems, PM Sanader asked Nuland for a "guarantee that, if we meet the conditions, NATO will send an invitation no matter what happens in Kosovo or in the region." Nuland responded that she could provide assurances we would support countries that are prepared for membership and would be making those decisions on an individual basis.

PUBLIC OUTREACH

113. (U) Nuland spoke to some 150 students, journalists, and NGO activists (both pro- and anti-NATO) following her official meetings. Her remarks and the subsequent question and answer session helped inform the audience about the transformation of NATO into an organization that is actively promoting stability and democratic values thousands of miles from the edge of its member states' borders. The event generated extensive positive press coverage. At the core of the audience was a group of students that Post is assisting in preparing themselves to serve as advocates for NATO membership in the public debate.

COMMENT

114. (C) The Croatians, well aware of the tougher messages delivered in the Road Show's previous stops in Tirana and Skopje, appreciated the positive message for Zagreb, and acknowledged their remaining tasks, particularly completing defense reforms and continuing to build public support so that it can match the remarkable degree of consensus among the political elites about the value of NATO membership. As one mark of that consensus, there was absolutely no spill-over from the Road Show visit into the current election campaign. Not even the differences between the HDZ and the SDP over a referendum have featured to any noticeable degree in either party's campaign. On regional issues, we note that Sanader's visit to Mostar appears somewhat different when viewed from Sarajevo (REFTEL) than when he describes it himself in Zagreb. For better or worse, Croatia's Constitution and electoral laws compel him and the HDZ to campaign in B-H, but make it very delicate for the GoC to speak out clearly on the current crisis there. It is probably better, then, that regional issues have also not featured much in the current electoral debates. END COMMENT.

 $\P15.$ (U) Ambassador Nuland has cleared this cable. BRADTKE